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SIPDIS

E.O. 12958: DECL: 11/06/2018  
TAGS: [MOPS](#) [NATO](#) [PARM](#) [PREL](#) [UP](#)  
SUBJECT: URGING UKRAINE TO RESUME THE NATO PFP TRUST FUND  
PROJECT

REF: A. 08 STATE 111716  
[B](#). 08 KYIV 1257  
[C](#). 08 KYIV 782  
[D](#). 08 STATE 34695  
[E](#). 06 KIEV 2279  
[F](#). 08 USNATO 391

Classified By: EUR DAS David Merkel, Reasons: 1.4 (b) and (d)

[1](#). This is an action request for Embassy Kyiv and USNATO, see paragraphs 2 and 7.

[2](#). (C) Summary: The U.S.-led phase one of the NATO-Partnership for Peace (PfP) demilitarization project in Ukraine could fail due to lack of agreement within the Government of Ukraine on its commitment to destroy small arms/light weapons (SA/LW). The Department requests that the Ambassador approach the GOU at the appropriate level to underline the importance of resolving this longstanding issue. If Ukraine does not commit by December 1 to fulfill its commitments, we will begin working with NAMSA to shut down the project and it would be the first PfP Trust Fund project in NATO's history to fail. The Department will double track with the Ukrainian Embassy in Washington. End Summary.

[3](#). (SBU) Background: The NATO-Ukraine Trust Fund demilitarization project to destroy 1,000 Man-portable Air Defense System (MANPADS) missiles, 15,000 tons of munitions and 400,000 SA/LW in Ukraine is the first phase of a planned 12-year project to destroy 133,000 tons of munitions and 1.5 million SA/LW. The project, which was initiated in January 2006 at Ukraine's request, is led by the United States with funds provided by 17 other nations and the European Union. The United States is the project's lead nation and largest donor. The aims of the project and the obligations of Ukraine were laid out in an Implementing Agreement signed in November [2005](#). The 1,000 MANPADS were successfully destroyed by September 2006. The SA/LW element started in January 2007 with the goal of destroying 185,000 weapons in 2007 and the balance by the end of 2008. Less than 135,000 SA/LW have been destroyed because the GoU has not released the remainder of the weapons, preferring to keep them for possible commercial sale.

[4](#). (SBU) Since mid-2007 all efforts to overcome the impasse have been ineffective (ref tels). Most recently, in response to a September 11 letter from NAMSA, on October 3 the Ukrainian MOD indicated that it would provide further justification to the Cabinet of Ministers by October 30 and pledged to seek the project's continuance, but this will not be possible without approval from the Cabinet of Ministers. On October 20, NAMSA advised USNATO that any decisions on the survival of the project and a possible extension must be taken soon in order for NAMSA to have sufficient time to either shut down the project by the end of 2008 or extend it (ref F).

[5](#). (C/REL NATO/NAMSA) The Department agrees with USNATO (ref

F) that the USG needs to encourage Ukraine to resume destruction and fulfill its commitments, and high-level U.S. intervention may be needed. However, if the Government of Ukraine does not commit by December 1 to fulfill its SA/LW destruction obligations under phase one of the project, we will begin working with NAMSA to shut down the entire project. As part of the process of closing the project, we do support allowing NAMSA to continue munitions destruction in Ukraine with funds already committed to the project (no additional funding would be provided). (NAMSA's initial estimate is that current funding would provide 6-8 months of operations in 2009.) At this time, the Department does not want to inform Ukraine about our intentions for shutting down the program in mid-2009 rather than on December 31.

16. (SBU) Department is aware that the advocates of the destruction program within the Government of Ukraine have found it difficult to convince some of their colleagues of the need to destroy weapons instead of selling them. Embassy Kyiv can make clear the following benefits for the GOU that will result from a decision by December 1 to resume weapons destruction: 1) the USG will work with NAMSA and the GOU to finalize an addendum as soon as possible (i.e., before December 31) to the current NATO-PfP Trust Fund project documents that will extend phase one of the project to December 31, 2009 and thus allow for munitions destruction; 2) NAMSA agreement for the Explosive Waste Incinerator (EWI) currently in customs to be released and installed at Donetsk as soon as possible so that munitions destruction can begin there (while the EWI is in the process of being installed and commissioned, munitions can be processed and components for destruction stockpiled); 3) to supplement the primary munitions destruction site at Donetsk, preparations for munitions destruction can start as soon as possible at Hrechany, the Pavlograd Chemical Plant, the Shostka "Zirka" Plant, and the Shostka "Impulse" Plant once the addendum is agreed upon; 4) the United States will agree to the revised munitions destruction list presented by Ukraine, which includes a larger proportion of larger caliber munitions; 5) the United States will ensure that, through additional donations by itself and/or through other donors, sufficient funding will be available to cover the additional costs of extending the project for a fourth year (NAMSA reports that it has approximately EUR 2.6 million unspent and available for the duration of the project, and will require approximately an additional EUR 1.2 million to complete phase one); and 7) once the weapons and munitions destruction is fully up and running, the United States, Ukraine, and NAMSA can begin discussions on planning for phase two of the project, which can include a higher portion of larger caliber munitions.

17. (SBU) Objectives/Action Request:

For USNATO: Our intentions regarding munitions destruction in 2009 absent a Ukrainian commitment to resume weapons destruction should be passed to NAMSA on a close hold basis. The Department requests that post pursue the following objectives:

-- Inform NAMSA that the United States supports closing down the project if Ukraine does not make a firm commitment by December 1 to resume SA/LW destruction. The U.S. does support, in the context of closing down the project, allowing NAMSA to expend the funds remaining in the Trust Fund account to destroy munitions.

-- Explain that we prefer to be vague about what a shut down of the project will entail in conversations with Ukraine and therefore request that NAMSA not share this information outside of its own organization.

-- Assure NAMSA that if Ukraine agrees to resume destruction the USG is prepared to assist them to complete the necessary addendum to the project in order to extend the project. In the case that only remaining funds are used, the amount of munitions to be destroyed will be determined by the funds

available.

-- Brief the contributing Allies and Partners on plans for high-level discussions with the Ukrainians on this issue and note the December 1 (Ministerial) deadline. Also brief them on U.S. willingness to accept Ukraine's requested revised munitions list (which includes a greater portion of larger caliber munitions for destruction), on the condition that the GOU reconfirms its original commitment to destroy 400,000 SA/LW as part of Phase I of the project.

FOR KYIV: The Department requests that the Ambassador Taylor approach the GOU at the appropriate level and pursue the following objectives:.

-- Inform Ukraine that the United States is deeply concerned that the destruction of small arms and light weapons under the NATO-PfP Trust Fund Project to Destroy Munitions, SA/LW and MANPADS in Ukraine remains at a standstill.

-- Convey that since September of 2007, the United States in conjunction with NATO has been working to get the Government of Ukraine to resume destruction of small arms and light weapons per its commitment under the NATO-PfP Trust Fund Project.

-- Reiterate U.S. agreement to Ukraine's proposal to extend Phase I of the NATO PfP project an additional year (i.e., through 2009) and acceptance of the GOU's revised munitions list (which includes a greater portion of larger caliber munitions for destruction), on the condition that the GOU reconfirmed its original commitment to destroy 400,000 SA/LW as part of Phase I of the project (slightly more than 130,000 have been destroyed to date).

-- Emphasize to Ukraine that the inability to keep its commitment to a NATO project does not help Ukraine in its efforts to convince Allies to agree to Ukraine's request for a NATO Membership Action Plan.

-- Urge Ukraine to make a firm commitment by December 1 to resume SA/LW destruction, as agreed under Phase I of the Trust Fund project, otherwise the United States no longer will be in a position to support this project.

-- Inform Ukraine that if it does not do so by December 1, we will not provide additional funds and will work with the NATO Maintenance and Supply Agency (NAMSA) and the other donors to begin close out of the project.

-- Make clear all of the benefits for Ukraine in resuming weapons destruction. In doing so, Post may draw on the information in paragraph 5 and present it in writing as appropriate.

18. (SBU) For further information, please contact PM/WRA: Katherine Baker, (202) 663-0104, and Dave Diaz, (202) 663-0102.  
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